OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 6, 1952

Mr. J. M. Zachary, Vice-President Neville G. Penrose, Inc.,

1815 Fair Building

Fort Worth, Texas

Re: Tippens-Hamill No. 1 NWNW Sec. 35-12N-34E

Quay County

Dear Sir:

We have your "Report on Deepening Well" as filed on our form C-103 on the above captioned well and intended to be a notice of intention to deepen well. You state that this well has been taken over by yourself but we have received no further advisement such as a notice of transfer of ownership or change of operators. In either eventuality the original plugging bond, a \$5,000 one well bond, as filed by Mr. G. H. Hamill and approved by us, must be cancelled when Mr. Hamill, who drilled to 5615', has complied with the rules and regulations of the Commission, (i.e. filed a report on result of plugging well, for approval by us; filed the well record on form C-105; and submitted a full set of cutting's samples for the New Mexico Bureau of Mines to be furnished to us or to said Bureau.)

Since you intend to assume responsibility for deepening and eventual completion of this well, it is to your advantage to see that all obligations of the previous operator have been met. In effect, the first plugging bond will not be released until all obligations are met by the bonded party. A descriptive well log of the interval from surface casing to 5615', written up by a competent geologist, will suffice in lieu of the cutting's samples above mentioned.

The current bond on file here is a \$10,000 blanket bond covering the joint ventures of Rowan Oil Company, a Delaware corporation, A. H. & C. L. Rowan, a partnership, and N. G. Penrose, Inc., a New Mexico corporation. If you intend to operate as Neville G. Penrose, Inc., you must execute a plugging bond to cover yourself only. Please advise us on this as well as on your proposed name of this well.

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P. O. BON 871 SANTA FE, NEW MEXICO

June G, 1955

Mr. A. M. Machary, Vice-President Newlie C. Presone, lace.

> Building sick Hill Foot Vorth, Texas

Re: Tippens-Hamili No. 1

MUNW Sec. 33-128-34E

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SANTA FE, NEW MEXICO

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Our letter of April 21, 1952 may have been a bit misleading. We were under the impression that N. G. Penrose, Inc., was covered by their own bond but this is not the case.

I trust this matter can be readily cleared up as it is not our desire to hinder your operations.

I am aware of the fact that work at this site has begun and men are presently rigging up for operation to commence approximately June 9. Pending clarification of the above, you will please notify us by phone or wire when operations begin and collect cuttings samples at 10' intervals for delivery to the Commission.

Very truly yours,

EUGENE A. CHAVEZ. Geologist - District 4

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